

REPORT
WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
PINE, LOUISIANA
COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR
ENDED DECEMBER 31, 2010
WITH SUPPLEMENTAL INFORMATION SCHEDULES

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/31/11

Minda B. Raybourn
Certified Public Accountant
Limited Liability Company
820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana**

**Component Unit Financial Statements
As of and for the Year Ended December 31, 2010
With Supplemental Information Schedules**

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Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(985) 839-4413
FAX (985) 839-4402

MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

Board of Commissioners
Washington Parish Fire
Protection District No. 4
Pine, Louisiana

I have compiled the accompanying financial statements and supplemental information, contained in schedules I and II, as of and for the year ended December 31, 2010, for the Washington Parish Fire Protection District No. 4, a component unit of the Washington Parish Government, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and supplemental information, and, accordingly, do not express an opinion or any other form of assurance on them.

The Washington Parish Fire Protection District No. 4 did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2010. The effects of the departure from Generally Accepted Accounting Principles have not been determined.

The management's discussion and analysis and budgetary comparison information, on pages 2 through 7 and 19 through 20 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

I am not independent with respect to Washington Parish Fire Protection District No. 4.



Minda B. Raybourn
Certified Public Accountant
Franklinton, Louisiana
June 13, 2011

Management's Discussion and Analysis

**WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana**

Management's Discussion and Analysis

WASHINGTON PARISH FIRE PROTECTION DISTRICT No. 4 is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standard Board Statement No. 34, Basic Financial Statements - Management's Discussion and Analysis – For State and Local Governments (hereinafter referred to as GASB 34) and related standards.

The Management's Discussion and Analysis (MD&A) is designed to:

1. assist the reader in focusing on significant financial issues,
2. provide an overview of the District's financial activities,
3. identify changes in the District's overall financial position and results of operations and assist the user in determining whether the financial position has improved or deteriorated as a result of the year's operations,
4. identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity, and
5. identify individual fund issues or concerns.

The information contained within this MD&A should be considered only as part of a whole. The reader of this statement should take time to read and evaluate all sections of this report, including the footnotes and other Required Supplemental Information (RSI) that are provided in addition to this MD&A.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government –wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. These financial statements are presented using the accrual basis of accounting method.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Management's Discussion and Analysis

The Statement of Net Assets presents information on all of the District's assets and liabilities, with difference between the two reported as net assets. Over time, increases or decreases in nets assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The Statement of Net Assets and The Statement of Activities display information about the District as a whole. These statements distinguish between those activities of the District that are governmental and those that are considered business type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The modified accrual basis of accounting is used by the governmental funds.

Notes to financial statements. The notes to the financial statements provide required disclosure essential to the understanding of the financial statements. The notes present information about the District's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule.

Financial Highlights

- At December 31, 2010, the District recorded total net assets (assets less liabilities) of \$523,368. The largest component of net assets was "Net assets invested in capital assets, net of related debt" at \$203,572. The District has restricted assets of \$148,923 for debt and unrestricted net assets of \$170,873 available current activities of the District.
- *The* most significant continuing revenue source was ad valorem taxes of \$171,818 which is 86.87% of total revenues
- The District's long-term debt at December 31, 2010 is \$445,000 as compared to long-term debt at December 31, 2009 was \$480,000. The decrease is due to regular payments of principal of \$35,000.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Management's Discussion and Analysis

Financial Analysis

Statement of Net Assets

Included below is a condensed Statement of Net Assets for the District. The condensed format allows the reader to view the overall financial position of the District. An explanation of the components of this statement is included immediately following the table.

Condensed Balance Sheet

	December 31, 2009	December 31, 2010	Dollar Change	Percent Change
Assets				
Current and other assets	\$ 268,864	\$ 325,949	\$ 57,085	21.23%
Capital Assets, Net	706,897	648,572	(58,325)	-8.25%
Total Assets	<u>975,761</u>	<u>974,521</u>	<u>(1,240)</u>	-0.13%
Liabilities				
Current Liabilities	5,829	6,153	324	5.56%
Long Term Liabilities	480,000	445,000	(35,000)	-7.29%
Total Liabilities	<u>485,829</u>	<u>451,153</u>	<u>(34,676)</u>	-7.14%
Net Asset				
Invested in Capital Assets				
Net of Related Debt	226,897	203,572	(23,325)	-10.28%
Restricted for Debt Service	123,224	148,923	25,699	20.86%
Unrestricted	139,811	170,873	31,062	22.22%
Total Net Assets	<u>\$ 489,932</u>	<u>\$ 523,368</u>	<u>\$ 33,436</u>	6.82%

See page 10 for more detailed Statement of Net Assets for the District.

Government-Wide Review of Condensed Statement of Net Assets

The composition of net assets and the change in net assets over time serves as a useful indicator of a government's financial position. The District's assets at fiscal year-end exceed liabilities by \$523,368 (net assets). Of the District's net assets, \$148,923 is Restricted Net Assets consisting of cash funds for debt service. The balance of net assets includes \$203,572 Invested in Capital Assets, Net of Related Debt, and \$170,873 in Unrestricted Net Assets.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
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Pine, Louisiana

Management's Discussion and Analysis

The Unrestricted Assets totaled \$170,873 or 32.65% of net assets. These assets are available to meet the ongoing needs of the District.

The largest category of net assets is Invested in Capital Assets, Net of Related Debt, totaling \$203,572 or 38.90% of net assets. This category reflects the total invested in assets (land, building, equipments, etc.) net of any related debt used to acquire capital assets. These capital assets are used to provide service to citizens and do not represent assets available for future spending. At the end of the current fiscal year, the District was able to report positive balances in all categories of net assets for the government as a whole, as well as for separate governmental activities.

Condensed Statement of Activities

	12/31/09	12/31/2010	Dollar Change	Percent Change
Program Expenses				
Public Safety	<u>168,433</u>	<u>164,345</u>	<u>(4,088)</u>	-2.43%
General Revenues				
Advalorem Taxes	160,924	171,818	10,894	6.77%
Grant Revenues	109,344	-	(109,344)	100.00%
Other Revenues	<u>27,756</u>	<u>25,963</u>	<u>(1,793)</u>	-6.46%
Total Revenues	<u>298,024</u>	<u>197,781</u>	<u>(100,243)</u>	-33.64%
Change Net Assets	129,591	33,436	(96,155)	-74.20%
Beginning Net Assets	<u>\$360,341</u>	<u>\$ 489,932</u>	<u>129,591</u>	35.96%
Fund Balance , December 31, 2010	<u>\$489,932</u>	<u>\$ 523,368</u>	<u>\$ 33,436</u>	6.82%

See page 11 for more detailed Statement of Net Activities for the District.

Significant categories of the Statement of Activities are noted below:

- Ad valorem taxes are the primary source of revenue totaling \$171,818 for the fiscal year ending December 31, 2010, at 86.87% of total revenue.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Management's Discussion and Analysis

- The major expenditure within The Statement of Activities is depreciation expense at \$58,325 (35.4905%). Repair and Maintenance is \$26,790, or 16.30% of total expenditures. See page 11 for more detail on The Statement of Activities.

Analysis of Fund Financial Statements

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

As of December 31, 2010, the District's governmental funds reported a combined ending fund balance of \$319,796 a increase of \$56,761 in comparison with prior year. Approximately 53.43% of this total (\$170,873) constitutes unreserved fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is reserved to indicate that is not available for new spending because it is already committed for debt service (\$148,923).

Budgetary Highlight

The District does not have a formal policy on adopting a budget. The budget for year ending December 31, 2010, was adopted at the December 1, 2009, regular board meeting. The budget was amended at regular meeting on December 7, 2009. All appropriations lapse at year-end.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Management's Discussion and Analysis

Budget vs. Actual – Fiscal Year End December 31, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Ad valorem taxes	\$ 154,218	\$ 171,818	\$ 17,600
State revenue sharing	13,366	13,366	-
Insurance rebate	13,307	11,946	(1,361)
other revenes	175	175	-
Interest	478	476	(2)
Total Revenues	<u>181,544</u>	<u>197,781</u>	<u>16,237</u>
EXPENDITURES:			
Insurance expense	21,163	21,397	(234)
Legal and accounting	7,100	7,100	-
Fuel, gas, and oil	2,593	2,493	100
Dues and subscription	525	525	-
Repairs and maintenance	26,787	26,790	(3)
Utilities	6,069	6,193	(124)
Supplies	8,346	8,181	165
Training expense	4,338	5,823	(1,485)
Pension expense	-	6,152	(6,152)
Miscelleous	1,779	1,078	701
Principle retirement of debt	35,000	35,000	-
Interest expenses	<u>20,637</u>	<u>20,288</u>	<u>349</u>
Total expenditures	<u>134,337</u>	<u>141,020</u>	<u>(6,683)</u>
Net Change in Fund Balance	47,207	56,761	9,554
FUND BALANCE, JANUARY 1, 2010	<u>263,035</u>	<u>\$ 263,035</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2010	<u>\$ 310,242</u>	<u>319,796</u>	<u>\$ 9,554</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Management's Discussion and Analysis

Capital Assets

At the end of the fiscal year December 31, 2009, the Fire District No. 9 had \$445,357 (net of accumulated depreciation) recorded in capital assets. Capital outlays are recorded as expenditures of the General Fund and as assets in the government –wide financial statement. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful life:

Fire Stations	40 years
Fire Trucks and Other Truck	5-20 years
Equipment	3-10 years

Fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated assets are valued at fair market value on the date donated. The cost of all assets acquired prior to 1989 have been valued using estimated historical cost.

Capital asset activity for the year ended December 31, 2010

	<u>12/31/09</u>	<u>12/31/10</u>	<u>Dollar Change</u>	<u>12/31/10</u>
Land	18,975	18,975	-	
Fire trucks	\$ 671,892	\$ 671,892	\$ -	0.00%
Fire station	175,501	175,501	-	0.00%
Fire equipment	<u>273,832</u>	<u>273,832</u>	<u>-</u>	0.00%
subtotal	1,121,225	1,121,225	-	0.00%
Less Accumulated				
Depreciation	<u>(433,303)</u>	<u>(491,628)</u>	<u>(58,325)</u>	13.46%
Depreciated assets	<u>\$ 687,922</u>	<u>\$ 629,597</u>	<u>\$ (58,325)</u>	-8.48%
Net invested in assets	<u>\$ 706,897</u>	<u>\$ 648,572</u>	<u>\$ (58,325)</u>	-8.25%

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Management's Discussion and Analysis

Long-Term Debt Activity

Long-term obligations are reported in the government-wide statement. In previous years under governmental funds, the Fire District reported long-term debt in the debt service fund.

A schedule of changes in the long-term debt obligation for the Fire District # 4 during 2010, follow:

	Balance 01/01/10	Additions	Deductions	Balance 12/31/10	Current Payment
Obligation Bonds	<u>\$480,000</u>	<u></u>	<u>\$ 35,000</u>	<u>\$ 445,000</u>	<u>\$ 35,000</u>

Future Economic Plans

The Washington Parish Fire Protection District's management approach is conservative. The Board of Commissioners actively monitor revenues and expenses and evaluate the costs of proposed expansion projects.

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Statement of Net Assets
December 31, 2010

	Governmental Activities
ASSETS:	
Cash and cash equivalents	\$ 148,874
Receivables	172,225
Prepaid expenses	4,850
Total assets and Other debits	325,949
Capital assets	
Land	18,975
Building , fire trucks, and equipments	1,121,225
Less accumulated depreciation	(491,628)
Total Capital Assets	648,572
Total Assets	974,521
LIABILITIES:	
Pension deduction	6,153
Long-term debt due in one year	35,000
Long-term debt due more than one year	410,000
Total Liabilities	451,153
Net Assets	
Invested in capital assets, net of related debt	203,572
Restricted for Debt	148,923
Unrestricted	170,873
Total Net Assets	\$ 523,368

See accountant's compilation report and accompanying notes to the financial statements.

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

EXPENSES:

Insurance	\$ 21,397
Accounting and legal	7,100
Advertising	79
Dues and subscriptions	525
Training	5,823
Repairs and maintenance	26,790
Depreciation expense	58,325
Office expenses	768
Utilities	6,193
Supplies	7,413
Fuel, gas, and oil	2,493
Pension expenses	6,152
Interest expenses	20,288
Other	999
Total Program Expenses	<u>164,345</u>

PROGRAM REVENUES:

Ad valorem taxes	171,818
State revenue sharing	13,366
Insurance rebates:	11,946
Interest earned	476
Other	175
Net Program Revenues	<u>197,781</u>

Change in Net Assets 33,436

Beginning Net Assets, January 1, 2010 489,932

Ending Net Assets, December 31, 2010 \$ 523,368

See accountant's compilation report and accompanying notes to financial statements.

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 4

WASHINGTON PARISH GOVERNMENT

Pine, Louisiana

Balance Sheet

Governmental Funds

December 31, 2010

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS AND OTHER DEBITS			
ASSETS:			
Cash and cash equivalents	\$ 82,251	\$ 66,623	\$ 148,874
Receivables - property tax	86,901	85,324	172,225
Prepaid expenses	4,850	-	4,850
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 174,002</u>	<u>\$ 151,947</u>	<u>\$ 325,949</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Pension deduction	3,129	3,024	6,153
Total Liabilities	<u>3,129</u>	<u>3,024</u>	<u>6,153</u>
FUND BALANCE			
Fund balance - reserved	-	148,923	148,923
Fund balance - unreserved	170,873	-	170,873
Total Fund Balances	<u>170,873</u>	<u>148,923</u>	<u>319,796</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 174,002</u>	<u>\$ 151,947</u>	<u>\$ 325,949</u>
Reconciliation			
Total governmental fund balance			319,796
Capital assets net of depreciation			648,572
Total bond debt			(445,000)
			<u>523,368</u>

See accountant's compilation report and accompanying notes to financial statements.

STATEMENT D

WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Statement of Revenues, Expenditures
and Changes in Fund Balance
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	General	Debt Service	Total
REVENUES:			
Ad valorem taxes	\$ 87,685	\$ 84,133	\$ 171,818
State revenue sharing	13,366		13,366
Insurance rebate	11,946		11,946
Interest earned	219	257	476
Other	175		175
Total Revenues	<u>113,391</u>	<u>84,390</u>	<u>197,781</u>
EXPENDITURES:			
Insurance	21,397		21,397
Accounting and legal	7,100		7,100
Advertising	79		79
Dues and subscriptions	525		525
Training	5,823		5,823
Repairs and maintenance	26,790		26,790
Office expenses	768		768
Utilities	6,193		6,193
Supplies	7,413		7,413
Fuel, gas, and oil	2,493		2,493
Pension expenses	3,129	3,023	6,152
Administrative fees		380	380
Other	619		619
Debt service:			-
Principal retirement		35,000	35,000
Interest		20,288	20,288
Total expenditures	<u>82,329</u>	<u>58,691</u>	<u>141,020</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	31,062	25,699	56,761
FUND BALANCE, JANUARY 1, 2010	<u>139,811</u>	<u>123,224</u>	<u>263,035</u>
FUND BALANCE, DECEMBER 31, 2010	<u>\$ 170,873</u>	<u>\$ 148,923</u>	<u>\$ 319,796</u>
Reconciliation			
Change in fund balance			56,761
Principal retirements			35,000
Depreciation expenses			(58,325)
Net assets governmental activities			<u>33,436</u>

See accountant's compilation report and accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

NOTE 1-DESCRIPTION OF COMPONENT UNIT AND REPORTING ENTITY

DESCRIPTION OF COMPONENT UNIT

The Fire Protection District No. 4, of Washington Parish, was created under the Louisiana Revised Statute 40:1496.12E. The District shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The District shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water tanks, water hydrants, water lines, and such other things as might be necessary or proper for effective fire prevention and control as considered necessary by the parish governing body of the District for the protection of the property within the limits of the District against fire.

The governing body of the parish shall appoint a five member board that shall perform all duties, functions, and powers responsible for the operation and maintenance of the District. All funds of the District shall be administered by the board of commissioners. The board of commission members may be paid a per diem of fifty dollars for attending meetings of the board, and may be reimbursed any expenses incurred in performing the duties imposed upon them.

The District encompasses approximately 100 square miles in a portion of Wards 5, 7, and 8 of Washington Parish. It serves approximately 3,500 people and several small businesses living and operating in this District. It operates three firehouses in Pine, Thomas, and Stateline, Louisiana, with a volunteer staff of fire fighters.

REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Washington Parish Government is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government, parish council, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Washington Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2010

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Parish Council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Council.
2. Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Parish Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Parish Council appoints a voting majority of the District's governing board and the Parish Council has the ability to impose its will on the District, the District was determined to be a component unit of the Washington Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles of the United State of America (GAAP) as applied to government units.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. BASIS OF PRESENTATION

Fund Financial Statements

During the year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2010

B. FUND ACCOUNTING

The District uses funds to maintain its financial records during the year. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursements of specific or legally restricted monies. Governmental funds of the District include:

- a. General Fund – the general operating fund of the District accounts for all financial resources except those required to be accounted for in other funds.
- b. Debt Service Fund – the debt service fund of the District accounts for the payment of principal and interest of liabilities of long-term debt.

C. BASIS OF ACCOUNTING

The modified accrual basis of accounting is used by the governmental funds. The accounting and financial reporting treatment, applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Effective for financial statements issued after June 30, 2000, GASB Statement 33, Accounting and Financial reporting for Non-exchange Transactions, defines a non-exchange transaction as a transaction whereby the government gives or receives value without directly receiving or giving equal value in return. Property taxes are imposed non-exchange revenues which result from assessments imposed on nongovernmental entities including individuals. Assets should be recognized when the government has an enforceable lien or legal claim to the resources, or the resources are received, whichever occurs first. Property tax revenues are recognized in the period when the District has a legal claim to the resources. However, for revenue to be recognized under the modified accrual basis, the measurable and available criteria must also be met. Governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized in the accounting period they become available and measurable. Donations, fund raising net revenues and state revenue sharing is recorded when received. Ad valorem taxes become a lien against the assessed property on assessment date or levy date. Property taxes collected by the taxing authority, but not remitted to the District at year-end, are accrued in revenue and included in property tax receivable.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2010

Expenditures

Expenditures are recognized in the accounting period when the fund liability is incurred.

D. BUDGETS

The District does not have a formal policy on adopting a budget. The budget for year ending December 31, 2010 was adopted at the District's December 1, 2009, regular meeting. The budget was amended at the District's regular meeting on December 7, 2010. All appropriations lapse at year-end.

E. ENCUMBRANCES

The District does not use encumbrance accounting.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. PREPAID ITEMS

The District uses the allocation method of recording prepaid expenses.

H. CAPITAL ASSETS

Capital assets are recorded as expenditures at the time purchased or constructed. No depreciation has been provided on general capital assets. All capital assets are valued at historical cost or estimated historical cost. Donated assets are valued at fair market value on the date donated. The costs of all assets acquired prior to 1989, have been valued using estimated historical cost.

I. COMPENSATED ABSENCES

The District does not have any paid employees; therefore, it does not have a formal leave policy.

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the debt service fund.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT**

Pine, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2010

K. FUND BALANCE RESERVE

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

NOTE 3 - LEVIED TAXES

On April 19, 1995, the District passed a proposal for a 15 mills property tax assessment upon the property owners of the District, subject to homestead exemption. The tax is for a period of 10 years commencing in the year 1996 for the purpose of maintaining and operating the District's fire protection facilities, for purchasing fire trucks and other fire fighting equipment and paying the cost of obtaining water for fire protection service. On April 24, 2005 the voters of the District renewed the 15 mill property tax for another 10 years.

On April 24, 2005 the District passed a proposal for a 14.5 mills property tax assessment upon property owners of the District, subject to homestead exemption. The tax is for a period of 10 years commencing in the year 2005 for the purpose of acquiring, constructing, improving, maintaining, and /or operating fire protection facilities, vehicles, and equipment, including both moveable and immoveable property, to provide fire protection service for District No. 4.

2009 Assessed property value	12,725,510	
Homestead Exemption	<u>(6,841,334)</u>	
Taxable value	<u>5,884,176</u>	
	Debt	General
	Service	Fund
	14.5	15
	Mills	Mills
Tax Revenues	\$ 88,266	\$ 85,324
Less: Pension Deduction	<u>(3,129)</u>	<u>(3,024)</u>
Net Assessment	<u>\$ 85,137</u>	<u>\$ 82,300</u>

NOTE 4 - CASH AND CASH EQUIVALENTS

At December 31, 2010, the District has cash and cash equivalents totaling \$148,874 as follows:

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2010

Non-interest bearing demand deposits	\$ 16,745
Interest bearing demand deposits	<u>132,129</u>
Total cash and cash equivalents	<u><u>\$ 148,874</u></u>

These deposits are stated at cost, which approximates market. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2010, the District had \$148,874 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of the federal deposit insurance.

NOTE 5 - RECEIVABLES

The following is a summary of receivables at December 31, 2010:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
Ad valorem taxes	<u>\$ 86,901</u>	<u>\$ 85,324</u>	<u>\$ 172,225</u>

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010:

	<u>Balance January 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2010</u>
Fire Trucks	\$ 671,892			\$ 671,892
Fire Stations	175,501			175,501
Equipment	<u>273,832</u>			<u>273,832</u>
Depreciated Assets	1,121,225	-	-	1,121,225
Less depreciation	<u>(433,303)</u>	<u>(58,325)</u>		<u>(491,628)</u>
Assets Less Depreciation	687,922	(58,325)		629,597
Land	<u>18,975</u>			<u>18,975</u>
TOTAL	<u><u>\$ 706,897</u></u>	<u><u>\$ (58,325)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 648,572</u></u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2010

NOTE 7- LONG-TERM DEBT

The following is a summary of the long-term obligation transactions during the year.

	Balance January 1, 2010	Additions	Payments	Balance December 31, 2010	Amount Due in One Year
Gen. Obligation Bonds	\$ 480,000	\$ -	\$ (35,000)	\$ 445,000	35,000

On April 24, 2005, the District passed a proposal to issue \$600,000 of 15 year general obligation bonds for the purpose of acquiring, constructing, improving, maintaining, and /or operating fire protection facilities, vehicles, and equipment, including both moveable and immoveable property, to provide fire protection service for District No. 4.

The annual sinking fund requirement to amortize bond at December 31, 2010 including interest of 114,177.

Principle and interest requirements to retire general obligation bonds at December 31, 2010 are as follows:

Year	Principle	Interest	Total
2011	35,000	19,544	54,544
2012	40,000	18,500	58,500
2013	40,000	17,050	57,050
2014	45,000	15,250	60,250
2015	45,000	12,900	57,900
2014-2020	<u>240,000</u>	<u>30,933</u>	<u>270,933</u>
	<u>\$ 445,000</u>	<u>\$ 114,177</u>	<u>\$ 559,177</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2010

NOTE 8 - FUND BALANCE - RESERVED

The fund balance-reserved represents amounts (cash and receivables) restricted for payment of the general obligation bonds.

NOTE 9 - RELATED PARTY TRANSACTION

There were no related party transactions at December 31, 2010

NOTE 10 - LITIGATION AND CLAIMS

At December 31, 2010, The District was not involved in any outstanding litigation and claims.

SUPPLEMENTAL INFORMATION

Schedule I

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 4
WASHINGTON PARISH GOVERNMENT

Pine, Louisiana

Budgetary Comparison Schedule

General Fund and Debit Service

For the Year Ended December 31, 2010

	Budget	Amended Budget	Actual	Variance
REVENUES:				
Ad valorem taxes	\$ 149,474	\$ 154,218	\$ 171,818	\$ 17,600
State revenue sharing	13,465	13,366	13,366	-
Insurance rebate	13,307	13,307	11,946	(1,361)
Interest earned	717	478	476	(2)
Other	2,463	175	175	-
Total Revenues	<u>179,426</u>	<u>181,544</u>	<u>197,781</u>	<u>16,237</u>
EXPENDITURES:				
Insurance	17,509	21,163	21,397	(234)
Accounting and legal	3,900	7,100	7,100	-
Advertising	92	79	79	-
Dues and subscriptions	501	525	525	-
Training	23,016	4,338	5,823	(1,485)
Repairs and maintenance	13,587	26,787	26,790	(3)
Office expenses			768	(768)
Utilities	4,438	6,069	6,193	(124)
Supplies	54,767	8,346	7,413	933
Fuel, gas, and oil	3,161	2,593	2,493	100
Pension expenses			6,152	(6,152)
Administrative fees			380	(380)
Other	5,397	1,700	619	1,081
Debt service:				
Principal retirement	35,000	35,000	35,000	-
Interest	21,162	20,637	20,288	349
Total expenditures	<u>182,530</u>	<u>134,337</u>	<u>141,020</u>	<u>(6,683)</u>
NET CHANGE IN FUND BALANCE	(3,104)	47,207	56,761	9,554
FUND BALANCE, JANUARY 1, 2010	<u>263,035</u>	<u>263,035</u>	<u>263,035</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2010	<u><u>\$ 259,931</u></u>	<u><u>\$ 310,242</u></u>	<u><u>\$ 319,796</u></u>	<u><u>\$ 9,554</u></u>

See accountant's compilation report and accompanying notes to financial statements.

Schedule II

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2010**

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members were not paid compensation in any form.

See accountant's compilation report and accompanying notes to financial statements.